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ABSTRACT

The demand for workers with entrepreneurial skills is increasingly driving innovation in the education system, both at the K-12 and postsecondary levels. A growing number of education groups are augmenting the training programs currently offered in high schools by teaching entrepreneurial skills. The National Foundation for Teaching Entrepreneurship (NFTE) is one such organization. Since 1998, the NFTE has taught the basics of starting and running small businesses to 30,000 mostly low-income students worldwide. More than 90% of graduates credit NFTE programs with improving their communication with their families, teachers, and peers, and more than 70% are planning on or already pursuing postsecondary education. Rural Entrepreneurship through Action Learning (REAL) is another organization devoted to training young entrepreneurs. Each year, REAL provides hands-on instruction to more than 4,000 students nationwide at more than 400 high schools, community or technical colleges, universities, elementary and middle schools, and community organizations. In a recent study at North Carolina's Edgecombe Community College, 92% of businesses launched by REAL students were still operating after 5 years. These and other entrepreneurship activities are building students' business savvy and understanding of important business-related concepts, such as return on investment and the stock market. (MN)

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Training Young Entrepreneurs

to Get Down to Business

Innovation in the education system, both at the K–12 and postsecondary levels, increasingly is being driven by the demand for workers with entrepreneurial skills. Companies and educators are reacting to these demands by exploring new, more effective methods of preparing students for the new economy.

Students themselves know they must enter the workforce with a better set of skills than is provided through traditional educational programs. They recognize the need to be entrepreneurial in an increasingly flexible workforce. Indeed, according to a recent Gallup poll, 70 percent of high school students indicated that they would consider starting their own businesses.

However, when questioned, most students acknowledged they had a fair to poor knowledge of the necessary entrepreneurial skills. Yet the overwhelming majority, 80 percent, was willing to learn these skills and believed that more entrepreneurial training should be included in their curriculum.

To augment present training programs offered in high schools, especially those serving underprivileged and at-risk students, entrepreneurial skills are being taught by a growing number of education groups. One

Students themselves know they must enter the workforce with a better set of skills than is provided through traditional educational programs.

such organization is the National Foundation for Teaching Entrepreneurship (NFTE). Since 1988, NFTE has taught the basics of starting and running small businesses to 30,000 mostly low-income students worldwide.

A 1998 study found that 36 percent of junior and senior high school students who took part in the NFTE New York City program went on to start their own businesses, versus 9 percent of comparable young people. Ninety-nine percent of alumni said they would recommend the program, 95 percent said it improved their business skills, and 76 percent said entrepreneurship represents a realistic way out of poverty.

Moreover, the program enriches students' lives, whether or not they start a business, according to Steve Mariotti, founder and president of NFTE. "The skills that we teach are applicable to anything that one does in life," he says. "They make you a better employee, a better citizen, a better family member."

More than 90 percent of graduates report that they communicate better with their families, teachers and peers thanks to NFTE, and 70 percent say they plan on or already are pursuing postsecondary education.

Another organization that is showing results is Rural Entrepreneurship through Action Learning (REAL) Enterprises, a national nonprofit that serves individuals mainly in rural areas. Like NFTE, REAL creates curricula, trains teachers and advocates for entrepreneurship education.

Each year, REAL provides hands-on instruction to more than 4,000 students nationwide at more than 400 high schools, community or technical colleges, universities, ele-

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mentary and middle schools, and community organizations. It seems to be working. A recent study at North Carolina's Edgecombe Community College, for example, found 92 percent of businesses launched by REAL students were still operating after five years — a reversal of research that shows up to 90 percent of small business startups ending in failure.

"Research indicates that young people and adults are going to be changing jobs much more frequently than in the past, and they need to be thinking entrepreneurially about their own careers," says REAL Executive Director Rick Larson. "These are skills that we all need to thrive in the society and economy that we live in now."

Smart Business

"Many students coming out of high school or college are going to work for an entrepreneurial company," says Larson. "Even if you work for a larger company, most are looking for employees who can be 'interpreneurial' — who are able to see and seize opportunities, who think like owners, who have the communications skills and the under-

Turning Problems Into Opportunities

Where other people see problems, entrepreneurs see opportunities for creating new businesses. In this exercise from Steve Mariotti's book, *The Young Entrepreneur's Guide to Starting and Running a Business*, young people learn to look for opportunities.

Try thinking of three problems that annoy you and a business solution for each.

Problem	Business Solution
1. Many neighborhood pet cats are having kittens.	1. Provide a "kitten giveaway" service.
2. Delivery people have a hard time reading addresses.	2. Offer to paint addresses on curbs.
3. It snows a lot each winter where you live.	3. Start a snow removal service.

Think about where you live. List four business opportunities in your community and the need(s) each would satisfy.

Business Opportunity	Need(s) Satisfied
1. After-school day care	1. Need for working parents to have children cared for during the workday
2. Party clown service	2. Need for entertainment for children's parties and other events
3. Garage cleaning	3. Need for someone to take care of a messy and time-consuming job
4. Car wash and wax	4. Need to have car cleaned regularly

Given these hypothetical situations, what business would you consider starting?

Situation	Business Opportunities
1. A going-out-of-business sign is placed in the window of the local grocery store.	1. Offer delivery service from a grocery store near the neighborhood.
2. The number of women entering the workforce is increasing dramatically.	2. Open a day care center.
3. A 100 percent increase in the price of gasoline is announced.	3. Start a carpool service.
4. You live near a college.	4. Provide word processing and research assistance for term papers.

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standing of finance and marketing and operations that entrepreneurs need to have."

There's no doubt that entrepreneurship programs build students' business savvy. In a recent test of entrepreneurship knowledge — understanding and using concepts such as return on investment and the stock market — students enrolled in school-year NFTE programs showed 61.9 percent improvement, compared to 3.2 percent improvement among peers.

"You want to have every kid coming out of high school ready to enter the business world understanding how to look for opportunities, take advantage of opportunities and use basic financial terminology," says Mariotti, a former teacher. "You want somebody working for you who has a good feel for basic business. That person is going to do much better as an employee."

"Research indicates that young people and adults are going to be changing jobs much more frequently than in the past, and they need to be thinking entrepreneurially about their own careers."

– REAL Executive Director Rick Larson

To Learn More

For more information, contact NFTE, 120 Wall St., 29th Floor, New York, NY 10005, 212/232-3333, www.nfte.com. Or contact REAL, 115 Market St., Suite 320, Durham, NC 27701, 919/688-7325, www.realenterprises.org.

Also, check out *The Young Entrepreneur's Guide to Starting and Running a Business* by Steve Mariotti, Times Business, 1996. Or see BizTech™ on the NFTE Web site. BizTech, a $3 million site that NFTE produced in partnership with Microsoft, is a version of the NFTE curriculum expected to be available online in January.

Characteristics of the Successful Entrepreneur

These are the characteristics of successful entrepreneurs identified by Steve Mariotti in his book *The Young Entrepreneur's Guide to Starting and Running a Business.*

Adaptability – the ability to cope with new situations and find creative solutions to problems

Competitiveness – the willingness to compete with and test oneself against others

Confidence – the belief that you can do what you set out to do

Discipline – the ability to stay focused and stick to a schedule and deadline

Drive – the desire to work hard to accomplish one's goals

Honesty – the commitment to tell the truth and deal with people fairly

Organization – the ability to structure one's life and keep tasks and information in order

Perseverance – the refusal to quit; the willingness to keep goals in sight and work toward them despite obstacles

Persuasiveness – the knack for convincing people to see your point of view and to get them interested in your ideas

Risk taking – the courage to expose oneself to possible losses

Understanding – the ability to listen to and empathize with other people

Vision – the ability to see the end results of your goals while working to achieve them

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